



## Senate

General Assembly

February Session, 2008

**File No. 369**

Senate Bill No. 386

*Senate, April 1, 2008*

The Committee on Human Services reported through SEN. HARRIS of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

### ***AN ACT CONCERNING BILLING PRACTICES OF NURSING HOME FACILITIES FOR SELF-PAY PATIENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-341 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) (1) As used in this section, "self-pay patient" means a patient who  
5 is not receiving state or municipal assistance to pay for the cost of care.

6 (2) The Commissioner of Social Services shall determine annually,  
7 after a public hearing, the rates to be charged to self-pay patients in  
8 any of the following licensed facilities if the facility does not have a  
9 provider agreement with the state to provide services to recipients of  
10 benefits obtained through Title XIX of the Social Security Amendments  
11 of 1965, except a facility that did not have a provider agreement in  
12 effect as of January 1, 1991, or had entered into a limited provider  
13 agreement before January 1, 1991: Chronic and convalescent nursing

14 homes, chronic disease hospitals associated with chronic and  
15 convalescent nursing homes and rest homes with nursing supervision.  
16 Each such facility that does have such a provider agreement, each such  
17 facility that did not have a provider agreement in effect as of January 1,  
18 1991, or had entered into a limited provider agreement before January  
19 1, 1991, and each residential care home shall determine its own self-  
20 pay rates. Rates determined pursuant to this section shall be effective  
21 July 1, 1991, and on July first of each year thereafter through June 30,  
22 1993, and shall be determined for each facility individually, on the  
23 basis of payment for the reasonable costs of providing all services. All  
24 self-pay patients shall be given notice of a rate increase at least thirty  
25 days prior to the effective date of such rate increase. In determining  
26 rates to be charged to self-pay patients the commissioner shall: (1)  
27 Consider the quality of care provided by each facility, based on  
28 information which the Department of Public Health shall provide to  
29 the commissioner, and any testimony or information received from  
30 other interested parties; and (2) take into account the relevant cost  
31 considerations set forth in section 17b-340 of the 2008 supplement to  
32 the general statutes and in the regulations adopted in accordance with  
33 subsection (a) of section 17b-238. Such regulations shall include but not  
34 be limited to the establishment of a formula for allowing profit or an  
35 operating surplus, and a fair rate of return on invested capital or  
36 equity. Nothing in this section shall authorize the commissioner to set  
37 a rate lower than the rate set under section 17b-340 of the 2008  
38 supplement to the general statutes for comparable services. [As used in  
39 this section "self-pay patient" means a patient who is not receiving  
40 state or municipal assistance to pay for the cost of care.] Each facility  
41 determining its own self-pay rates shall report such rates to the  
42 commissioner upon determination and upon any modification. The  
43 commissioner shall document each rate so reported and each rate  
44 determined for a facility by the commissioner pursuant to this section.  
45 Each facility shall charge any self-pay patient who is insured under a  
46 long-term care insurance policy which is precertified pursuant to  
47 section 38a-475 a rate which is at least five per cent less than the rate  
48 charged other self-pay patients. On and after April 1, 2008, each facility

- 49 shall charge self-pay patients a per diem rate and not a monthly rate.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	17b-341(a)
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**AGE**      *Joint Favorable C/R*      HS

**HS**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

This bill specifies that nursing homes must charge self-pay patients on a per diem, rather than a per month, basis. As this change applies only to self pay patients, no fiscal impact to the state is anticipated.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****SB 386****AN ACT CONCERNING BILLING PRACTICES OF NURSING HOME FACILITIES FOR SELF-PAY PATIENTS****SUMMARY:**

This bill requires nursing homes, associated chronic disease hospitals, and residential care homes to charge self-pay patients a per-diem rate rather than a monthly rate beginning April 1, 2008. A self-pay patient is one who is not receiving state or municipal assistance.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Self-Pay Deregulation***

PA 91-8 deregulated self-pay nursing home rates for two years, but the policy remains in effect despite the lack of statutory authority. Prior to deregulation, the state set a maximum allowable self-pay rate equal to the Medicaid rate plus a percentage (add-on), based on the type of room.

Currently, nursing homes may bill self-pay patients using a monthly or a per-diem rate. Depending on how monthly rates are calculated, patients may be billed for extra days for which they did not receive care.

**COMMITTEE ACTION**

Select Committee on Aging

Joint Favorable Change of Reference  
Yea 11 Nay 0 (03/04/2008)

Human Services Committee

Joint Favorable

Yea    19    Nay   0    (03/13/2008)